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Docket No. PARA-1479

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: ALLEMAN)	Examiner: MATAR
)	
Serial No:)	Group Art Unit: 2601
)	
Date Filed: 02/12/97)	
)	
Title: INTERACTIVE TELEPHONE)	DECLARATION OF JAMES H.
SYSTEM FOR MAKING LOW)	ALLEMAN UNDER 37 CFR § 1.131
COST LONG DISTANCE)	
TELEPHONE CALLS)	
)	

I, James H. Alleman, under penalty of perjury, declare:

1. I am a professor at the University of Colorado at Boulder teaching in the Interdisciplinary Telecommunications Program in the College of Engineering. I am also an equity holder in and consultant to Paragon Services International, Inc., the assignee of the above-identified patent application.

2. I am the sole inventor of the subject matter claimed in the above-identified U.S. patent application, which has not yet received a serial number, which is a Continuation of Serial No. 08/252,984, filed June 2, 1994, currently pending, which is a Continuation of application Serial No. 07/873,323, filed April 24, 1992, now abandoned.

3. I am submitting this Declaration under 37 CFR § 1.131 to overcome the printed publications which were cited by the Examiner in rejecting the claims in the earlier application, Serial No. 08/252,984 ("984"), as detailed below.

4. The Examiner in '984 rejected all claims on January 20, 1995, under 35 USC § 103 based upon a machine disclosed by a company called International Discount Telecommunications Corporation in the *New York Times* article dated January

9, 1992, titled "Hot-Wiring Overseas Telephone Calls" previously cited as prior art in the parent of this application; the *Business Week* article dated April 13, 1992, titled "Rome to Bonn via New Jersey"; the *Business Week* article dated December 2, 1991, titled "How Overseas Callers Can Get State Side Rates"; and *The Economist* article titled "The Privateers," dated September 2, 1992. The earliest of these articles is December 2, 1991.

5. I conceived of the present invention in the United States before March 21, 1990. On March 21, 1990, I applied to the Federal Communications Commission for my company to resell switched message telephone services of existing common carriers to provide international switched voice service between the U.S. and various overseas points. Attached as Exhibit 1 is a true copy of the grant of authority from the FCC dated June 13, 1990.

6. I reduced to practice the invention of the claims before June 27, 1990. On that date, I wrote a letter to a programmer named Jim Gunther, whom I knew to be qualified in the field. I retained Mr. Gunther to write software to perform the steps of my method and the system of the apparatus claims of the invention. Before June 27, 1990, I had built a system that confirmed that my idea would work. I had custom hardware prepared by a New York contractor. I purchased a computer and wanted it programmed for the various functions to be performed. However, in order to make the invention compatible with telephone equipment, I needed software to implement the steps and system of my invention.

7. Exhibit 2 attached consists of four pages, all bearing the date 6-27-90, and all prepared by me on that date and sent to Mr. Gunther. Page numbers have been added for ease of reference, but in all other respects, Exhibit 2 is a true copy of my work product on that date. For purposes of comparing the June 27, 1990 records of my invention to claim 1 of the patent, page 4 of Exhibit 2, bearing the title "Software Functionality" is most relevant. Software functionality means the functions to be performed by the software prepared by Mr. Gunther to carry out the elements of the claims.

8. Taking claim 1 with the Preliminary Amendments shown in the Preliminary Amendment of even date, the "Software Functionality" components track the claim elements. Thus, the "central location" of claim 1 is the place where the functions recited are to be performed. The "subscriber" is the person who has signed up to use the system by paying a fee and being assigned a DID number. A DID number is a "direct inward dial" number to a telephone system that allows the telephone system to identify the number without incurring a charge for a long distance telephone call. Before the invention was available, the caller had to complete a call through the telephone company and be charged for a long distance telephone call. By use of the invention, there is no charge to the calling party for dialing the DID number, yet the telephone system immediately calls the telephone number of the subscriber. The savings of the cost of that first contact to the telephone system is important to the economic viability of the system, but it is not the subject of the present invention, standing alone.

9. The DID number is "data uniquely identifying the subscriber" as recited in the preamble to amended claim 1. The subscriber, when he or she signs up, has the DID number assigned, which is "storing the unique identifying data of the subscriber" of the first element of claim 1.

10. The second element of claim 1 is a means for comparing the incoming call to the telephone system with the stored DID number. This element is shown in item 1 on page 4 of Exhibit 2 as "Recognize the existence of an incoming call to a specific ... DID number."

11. The next element in claim 1 is means responsive to a favorable comparison for calling the subscriber. This element is shown in item 2 on page 4: "begin the initiation of a call to the identified caller," who is the subscriber.

12. The next element in claim 1 is means responsive to the subscriber dialing a number of a third party. This is shown in item 7 of page 4: "Listen for digits dialed and *." This follows the prompt of item 6 "Please dial now and terminate with *."

13. The last element of amended claim 1 is to connect the subscriber and the third party. This is shown in item 8 "Listen for action on line and **." The double star gives the prompt of item 9 "offer voice response to initiate the next call."

14. Amended claim 2 has a termination of the call after a predetermined interval. Item 3 on page 4 provides for terminating the call after five rings.

15. Amended claim 3 adds an audio message. Item 4 on page 4 tells how this audio message is programmed into the system.

16. Claim 4 relates to an audio signal that was developed after the preparation of Exhibit 2 on June 27, 1990, but before the filing date of the application on April 24, 1992.

17. Claim 5 has the DID number specified as the identifying data of claim 1, just as item 1 on page 4 does.

18. Claim 6 adds the determination of the extent of use of the system. Item 12 on page 4 of Exhibit 2 shows the extent of use data.

19. Claim 7 adds means responsive to a failure of a third party to answer the call. Item 10 on page 4 provides for detection of "on hook" by the third party. If there is no answer, the "Time-out function of 7" comes into play.

20. Amended Claim 8 adds a feature to terminate further attempts to reach the subscriber with a "special signal." Item 4 on page 2 indicates that the system determines whether "trunk busy or 'cannot call at this time'." These are both "special signals."

21. Claim 9 appears to be a feature developed after June 27, 1990.

22. All of the remaining claims in the patent application relate to more specific recitation of the elements of claims 1-9, so the foregoing discussion of the elements found in page 4 of Exhibit 2 are applicable to these elements as well.

23. The software I asked Mr. Gunther to prepare for me was completed by about September, 1990. I was then in a position to find a vendor for preparing a complete system for my invention, and marketing the invention to the public. To that end, I contacted a joint venture called "Call Interactive." The joint venturers were

AT&T, long known for expertise in making telephone service and hardware, and American Express, long known for its marketing expertise. On October 15, 1990, I entered into a confidential disclosure agreement with Call Interactive regarding implementing and marketing my invention. Attached as Exhibit 3 is a true copy of that agreement.

24. After receiving the disclosure in confidence of my invention, Call Interactive successfully completed the installation and development plans for introducing the invention, and set the date of April 25, 1991, as the date of product introduction. Attached as Exhibit 4 is a true copy of a letter dated March 6, 1991, that I received from Call Interactive setting forth the date for market introduction.


25. Following the completion of the contract with Call Interactive, I contracted with the University of Colorado to become a member of the faculty in August 1991. I disclosed my invention in confidence to the The University of Colorado Foundation, Inc. on March 21, 1991, to be sure that the University agreed that my invention was mine and not the University's. The Patent Officer of the Foundation independently looked at the facts regarding my conception and reduction to practice of my invention to be sure the rights of the University were protected. After the independent investigation, the Patent Officer confirmed that I had made the discovery and reduced it to practice with my company, and not with any resources of the University. Attached as Exhibit 5 is a true copy of the letter dated March 29, 1991 to me confirming these facts.

26. The product was in fact publicly disclosed on April 25, 1991, according to the plan of Exhibit 4. Under the provisions of patent law, I knew I had one year in which to file a patent application following public disclosure. Accordingly, I filed the

patent application Serial No. 07/252, 984 on April 24, 1992, within the one year "grace period."

I declare that all statements made on my own knowledge herein are true, and all statements made on information and belief are believed to be true, and I have been warned that willful false statements and the like are punishable by fine or imprisonment or both (18 U.S.C. 1001) and may jeopardize the validity of the application or any patent issuing thereon.

04-24-1997
date


James H. Alleman

97 JUN 18 AM 9:45
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: ALLEMAN

) Examiner: MATAR

Serial No:

) Group Art Unit: 2601

Date Filed:

) DECLARATION OF SUTTON

Title: INTERACTIVE TELEPHONE
SYSTEM FOR MAKING LOW
COST LONG DISTANCE
TELEPHONE CALLS

Hon. Commissioner of Patents
U.S. Patent and Trademark Office
Washington, D.C. 20231

John P. Sutton, under penalty of perjury, declares:

1. I am one of the attorneys for applicant in this case. I was recently retained as litigation counsel for applicant because the principal law firm representing applicant with respect to this invention does not do litigation.

2. I investigated the marketplace to determine whether infringing products exist. I was unable to examine the systems of companies that engage in call-back telecommunications systems, because each competitor of applicant's assignee regards its systems as proprietary. However, I was able to review literature sent to Perry Wyatt, president of applicant's assignee, on February 14, 1997. I believe this literature shows infringement of the method claims of the patent.

3. I identify Exhibit 1 attached as a one page fax from Telegroup, Incorporated to Perry Wyatt, dated February 14, 1997. I understand from Mr. Wyatt that the

Telegroup system has been existence for years, but the attached literature was not in hand until February 14.

4. Exhibit 1 relates to GLOBAL ACCESS CALLBACK INSTRUCTIONS. this is a system of reducing telephone costs to a subscriber, as stated in the preamble of method claim 18. The first step is "Dial your DID # (your personal access number)." This step is the same as step (a) of claim 18 where the subscriber is the calling party. Claim 18 is broad enough to allow a calling party other than the subscriber to enter the subscriber number. As shown by claims 5 and 19, the subscriber identifying data may be "the direct inward dial number," abbreviated to "DID" in step 1 of Exhibit 1.

5. Step 2 of Exhibit 1 is "Wait for it to ring; then hang up. It will call you back." In this step, the subscriber is the calling party who receives the call back. The telephone system of Telegroup "compares the incoming signal from the [subscriber] to a subscriber identity on file in the system" (step (b) of claim 18). The calling party hanging up in step 2 of Exhibit 1 is "the calling party terminates the call to the telephone system" as stated in step (c) of claim 18.

6. When the system of Telegroup calls back in step 2, it "calls the telephone number of the identified subscriber" (step (d) of claim 18).

7. Step 3 of the Telegroup instructions is "When it calls you back, pick up the phone and dial" the desired third party. Step (e) of claim 18 is "the subscriber answers the call from the telephone system and enters the number of a third party," the very same as step 3. While not stated in step 3, it is implicit that Telegroup "calls the third party and connects the subscriber to the third party," as stated in step (f) of claim 18.

Otherwise, the Telegroup system would not work for the intended purpose, namely to make a call to the third party. It is clear that Exhibit 1 shows that Telegroup infringes claim 18.

8. Claim 19 specifies DID as the subscriber number, exactly like Exhibit 1. Therefore, claim 19 is clearly infringed. Method claim 20 relates to conference calls, and Exhibit 1 is silent on this. Therefore, it is not clear that claim 20 is infringed.

9. Amended claim 10 is a method claim that is also infringed by the Telegroup system. Telegroup is the "telephone exchange" at a "central location" called for in claim 10, having input and output connections. The DID number of step 1 of Exhibit 1 is stored at the central location. The "comparing" step of claim 10 takes place in step 2 of Exhibit 1. When the phone rings at Telegroup, it compares the DID with the number on file. If they match, the system "will call you back." The Call back from Telegroup is the step of "responding to a favorable comparison" of claim 10.

10. Step 3 of Exhibit 1 is dialing the number desired, which is "receiving signals from said subscriber station for establishing a communication connection with a third party" in claim 10. Once the third party answers the call of step 3, the system "bridg[es] a communication connection between said calling party and said third party," as recited in claim 10. Claim 10 is clearly infringed.

11. Claims 11 and 12 add to claim 10 an audio message. Exhibit 1 is silent on this, so claims 11 and 12 are not necessarily infringed.

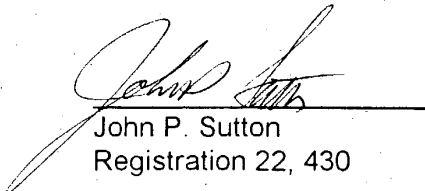
12. Claim 13 narrows claim 10 to DID numbers. Since Exhibit 1 has DID, it is clearly infringed.

13. The parent application has been examined and finally rejected, and is now on appeal. The art cited by the examiner in the parent of this Rule 60 continuation has been carefully reviewed and is overcome by a Rule 131 affidavit. The invention was made before June 27, 1990, as shown by the Declaration of Alleman. The earliest prior art relied upon by the examiner is December 2, 1991, eighteen months later. In my opinion, all claims of the amended application are allowable.

14. No independent search of the art has been made to determine whether the examiner's search was complete. However, based upon the searches of the parent case, it is believed that I have a good grasp of the pertinent prior art. I have prepared a Rule 131 affidavit by the inventor, and a Preliminary Amendment to overcome formal objections of the examiner. On February 14, 1997, I interviewed S.P.E. Zele, supervisor to Examiner Matar, the examiner in charge of the parent case. Based upon the interview, more specificity in the Rule 131 affidavit was added to clearly overcome the art cited in the parent case. Examiner Zele indicated that it appeared there was no evidence to support a prior art date of March 12, 1990, the date asserted by Examiner Matar in the parent case. Based on the interview, I believe that the amended claims are all allowable.

I declare under penalty of perjury that the foregoing is true and correct.

March 12, 1997
date


John P. Sutton
Registration 22, 430